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# Republican Policy Committee

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September 29, 1995

## Keeping Our Promises

# Balancing the Budget Means Restoring the American Dream

For the first time in over a generation, Republicans will balance the budget — in stark contrast to the President, who for three years has offered only billions of dollars more of debt. As we responsibly slow the rate of growth of government, and accrue savings, we intend to grow America. We offer a vision of hope, opportunity, and a future free of debt, as the world's only superpower.

### WHAT DOES A BALANCED BUDGET MEAN?

- ▶ Lower interest rates — they'll fall by up to 2 percent.
- ▶ More job opportunities — up to 6.1 million new jobs.
- ▶ A higher standard of living — incomes could rise by up to \$1,000 a year.
- ▶ A reduced burden of debt on our children and grandchildren.
- ▶ People can keep more of what they earn, and make decisions for themselves based on their pocketbook, not Washington's.

### LOWER INTEREST RATES:

- ▶ Economists have calculated that the federal budget deficit adds 2 percent to interest rates for all Americans. This surtax means higher costs for car loans, mortgages, credit cards, small businesses, and family farms. A balanced budget will cut this surtax.

### JOB OPPORTUNITIES:

- ▶ Lifting the burden of debt on America will allow our nation's output to rise. Lower interest rates will allow the private sector to grow. Opportunities will expand, businesses will be able to invest and grow, more jobs will be created, up to 6.1 million, according to studies.

### HIGHER STANDARD OF LIVING:

- ▶ According to the Concord Coalition, a non-partisan fiscal watchdog group, without deficit spending and debt, the average family income today would be \$50,000, not \$35,000. A balanced budget would increase economic growth, leading to more take-home pay in Americans' pockets. Economists predict that balancing the budget could raise output by 2.5 percent a year, meaning an average of an extra \$1,000 a year for every American family.

**DEBT:**

- ▶ A child born today already owes \$187,000 in interest on the federal debt — more than \$3,500 in taxes every year of her working life, or a lifetime tax rate of 84 percent. Each Americans' share of the federal debt is nearly \$19,000 and growing rapidly. A balanced budget will begin to allow us to pay down the debt we owe and stop the accumulating burden on our children and grandchildren.

**PEOPLE KEEP MORE OF WHAT THEY EARN:**

- ▶ Over the past 45 years, Americans have seen their tax burden grow, from as little as 2 percent in 1950 to nearly 50 percent today. We as a nation have committed to helping the truly needy; but it's time that families keep more of what they earn, and make more of their own spending decisions at home. People, not government, built America. We must stop spending the people's money, their children's money, and their grandchildren's money.

With a budget finally balanced, our fiscal house in order, a government that is smaller and more responsive to the core needs of the American people, we can assure that the American dream — a future free of debt, and full of promise — is passed on to the next generation.

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